

FISCAL NOTE

HB 2254 - SB 2396

February 26, 2002

SUMMARY OF BILL: Specifies that an entity that has been audited by the Comptroller or that submits an audit acceptable to the Comptroller shall not be subject to audit by a department or agency of state government for the same matters covering the same time period previously audited.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Jeopardizes Federal Funds:

- (1) Provisions of the bill may violate federal law (Single Audit Act) which requires follow-up on audit findings within 6 months of the audit to receive federal financial assistance and could result in the loss of federal funds in excess of \$100,000.**
- (2) Provisions of the bill prevent follow-up on concerns raised in an audit and actions by any governmental entity to determine that audit findings are being addressed or to act on new information related to a previous audit, thus increasing the potential for fraud and abuse which may have a significant impact on state finances.**

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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